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# NORTH CHINA IMPROVED ECONOMY

Yuan, the T'ien-ching (Tientsin) manager of the Szechwan Animal Products Company, who has just come to Hong Kong from T'ien-ching, states that the city is beginning to flourish under peaceful conditions.

Items such as grain, cotton, cloth, and foreign exchange are now fairly stable and devoid of sudden fluctuations.

Under the leadership of state-operated enterprises, market conditions have been stabilized. There is no black market, and foreign exchange rates are stable. In T'ien-ching the price of British pounds and Hong Kong dollars had been marked down a week before the devaluation announcement; hence there was no loss on exchange. The rate between US dollars and Hong Kong dollars was set at about seven to one.

Representatives of the People's Bank and the Bank of China hold weekly meetings to study foreign exchange problems, foreign trade, etc., as well as problems or suggestions raised by representatives of merchants, government, and state-operated industries, and corrections are made in fallacious tendencies or improper previous practices. This practice is a very important factor in the favorable situation now prevailing in the economy of T'ien-ching.

Yuan believes that Hong Kong merchants are not yet sufficiently well informed concerning trade conditions in the North. He thinks that the controls on buying and selling are bound to affect private traders, but believes that they can succeed in their enterprises by acting as collectors of merchandise for sale to state-owned enterprises. He holds an optimistic view of the future of foreign trade at T'ien-ching. After his return from Hong Kong he plans a trip to the Northeast to promote development of his firm's interests in that area.

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NORTH CHINA FACTORIES MEET GOALS -- Wen-hui Pao, 18 Oct 49

T'ien-ching, 16 October (NCNA) -- State-operated industries in T'ien-ching are making consistent progress in achieving their goals for increased production and lower costs. For example, the T'ien-ching Steel Mill shows an increase of  $2\frac{1}{2}$  tons of steel per furnace with a 6-percent reduction in quantity of raw materials used, 43-percent reduction in quantity of coal, and a reduction of two units [not specified] in electrical power.

In the manufacture of steel products in this plant, marked savings are being realized in the amount of steel required to produce the same amount of materials. In the machine shop, consumption of gasoline for September 1949 amounted to no more than that formerly consumed in 2 or 3 days.

In the repair shops of the T'ien-ching Railroad Office, after the establishment of standards for inspection and repair, production was increased during July, August and September 1949 from the repairing of 20 cars of all types per month to more than 90, with no increase of working force and with a corresponding decrease in cost [per unit].

Important savings in water have been effected by the water works by the initiation of more stringent meter checking and care in changes and installations.

The streetcar company is planning to install a half-ton high-draft steel refining furnace which will permit the manufacture of a large variety of tools and car parts.

A forerunner in the China Match Works has invented an improved slicing machine which slices box materials much thinner and permits a large increase in production and a great saving in materials.

Pei-p'ing, 16 October (NCNA) -- The attempt of industrial and commercial firms to meet consumer needs in Pei-p'ing is indicated by the fact that during the 6 months from March through August 1949, 2479 new firms applied for registration. Included in the list are 78 different lines and 1,874 firms of grain, oil, food, coal and general goods manufacturers and dealers. The remaining 605 firms, in 37 lines, were industrial enterprises, including hand-operated cigarette factories, ironworks, vermicelli factories, etc.

During the same period 1,120 firms asked for permits to discontinue business. Of these, 950 were merchandizers dealing largely in luxury goods and antiques. A total of 166 industrial enterprises applied for permits to cease operations, including tailors, shoemakers, knitters and manufacturers of metal goods. Of the 244 firms applying for changes in the type of their enterprises, 115 were silver- and goldsmiths, while the next largest groups were breweries, tailors of western-style clothes, and second-hand materials dealers. The majority of these requested permission to switch to such fields as grain dealers, knitting and stationery. During the half-year period under consideration no new luxury goods enterprises were started.

Pei-p'ing, 16 October -- Light and heavy industries in T'ai-yuan (Shansi) under state management are making rapid strides in increasing production. The munitions factory has been converted to production for peaceful purposes. Iron production in September 1949 exceeded that for August by 10 to 12 percent. Coke production increased and improved in quality. The goal for coal production was exceeded by over 10 percent. The chemical industry has made the most rapid recovery, with an increase in production from .863 tons per employee in August to 1.109 tons per employee in September, which is superior to the highest pre-China Incident production.

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